IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW MEXICO

STATE OF NEW MEXICO, ex rel. State Engineer

Plaintiff,

6:69cv07941-BB

VS.

ROMAN ARAGON, et al.,

Defendants.

RIO CHAMA STREAM SYSTEM Section 3, Rio Cebolla Subfile No.: CHCB-005-0002

STATUS REPORT

In compliance with the Order Granting Motion to Stay Litigation Proceedings filed February 24, 2010 (Docket No. 9605), the Plaintiff State of New Mexico *ex rel*. State Engineer (State Engineer) files this Status Report in connection with the settlement negotiation meetings conducted between Defendants Estate of Julian Serrano, Deceased and Flavio Gurule (Defendants) in Subfile CHCB-005-0002 and the State Engineer. The settlement negotiations resulted to complete settlement of the Defendants claims and a Consent Order was filed on July 29, 2010 (Docket No. 9927).

Respectfully submitted,